LMC
Livestock & Meat Commission

Department of
Agriculture, Environment and Rural Affairs
An Roinn
Talmhaíochta, Comhshaoil agus Gnóthaí Tuaithe
Depairtment o'
Fairmin, Environment an' Kintra Matthers
www.daera-ni.gov.uk

Partnership Agreement between

Department of Agriculture, Environment & Rural Affairs (DAERA)

and

The Livestock and Meat Commission for Northern Ireland (LMC)

Version 1.0

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Introduction

1. The Partnership Agreement

1.1 This document sets out the partnership arrangements between the Livestock and Meat Commission (LMC) and the Department of Agriculture, Environment and Rural Affairs (DAERA). In particular, it explains the overall governance framework within which LMC operates, including the framework through which the necessary assurances are provided. Roles and responsibilities of partners within the overall governance framework are also outlined.

1.2 The partnership is based on a mutual understanding of strategic aims and objectives; clear accountability; and a recognition of the distinct roles each party contributes. Underpinning the arrangements are the principles set out in the NI Code of Good Practice ***'Partnerships between Departments and Arm's-Length Bodies'*** which should be read in conjunction with this document. The principles which are laid out the Code are:

LEADERSHIP
Partnerships work well when Departments and Arm's Length Bodies demonstrate good leadership to achieve a shared vision and effective delivery of public services. Strong leadership will provide inspiration, instil confidence and trust and empower their respective teams to deliver good outcomes for citizens.
PURPOSE
Partnerships work well when the purpose, objectives and roles of Arm's Length Bodies and the sponsor department are clear, mutually understood and reviewed on a regular basis. There needs to be absolute clarity about lines of accountability and responsibility between departments and Arm's Length Bodies. In exercising statutory functions Arm's Length Bodies need to have clarity about how their purpose and objectives align with those of departments.

ASSURANCE
Partnerships work well when departments adopt a proportionate approach to assurance, based on Arm's Length Bodies' purpose and a mutual understanding of risk. Arm's Length Bodies should have robust governance arrangements in place and in turn departments should give Arm's Length Bodies the autonomy to deliver effectively. Management information should be what is needed to enable departments and Arm's Length Bodies to provide assurance and assess performance.
VALUE
Partnerships work well when departments and Arm's Length Bodies share knowledge, skills and experience in order to enhance their impact and delivery. Arm's Length Bodies are able to contribute to policy making and departmental priorities. There is a focus on innovation, and on how departments and Arm's Length Bodies work together to deliver the most effective policies and services for its customers.
ENGAGEMENT
Partnerships work well when relationships between departments and Arm's Length Bodies are open, honest, constructive and based on trust. There is mutual understanding about each other's objectives and clear expectations about the terms of engagement.

A full copy of the NI Code can be found at Annex 8.

1.3 This document should also be read in conjunction with guidance on proportionate autonomy which provides an outline of the principles and characteristics for proportionate autonomy. Guidance on proportionate autonomy has been considered in determining the extent of engagement and assurance to be established between LMC and DAERA and this is reflected in this agreement.

1.4 DAERA and LMC are committed to:

- Working together within distinct roles and responsibilities;
- Maintaining focus on successful delivery of Programme for Government outcomes and Ministerial priorities;
- Maintaining open and honest communication and dialogue;
- Keeping each other informed of any issues and concerns, and of emerging areas of risk;
- Supporting and challenging each other on developing policy and delivery [when developing policy this may cut across more than one department];

- Seeking to resolve issues quickly and constructively; and
- Acting at all times in the public interest, in the interest of all stakeholders, and in line with the values of integrity, honesty, objectivity and impartiality.

1.5 The effectiveness of the partnership and the associated Engagement Plan will be reviewed each year by DAERA and LMC in order to assess whether the partnership is operating as intended and to identify any emerging issues / opportunities for enhancement. This can be carried out as part of existing governance arrangements. The Partnership Agreement document itself will be reviewed formally at least once every three years to ensure it remains fit for purpose and up to date in terms of current governance frameworks. The formal review will be proportionate to LMC's size and overall responsibilities and will be published on departmental and LMC websites as soon as practicable following completion.

1.6 A copy of this agreement has been placed in the Assembly Library and is available on DAERA and LMC websites.

LMC Establishment and Purpose

2. Statutory Purpose and Strategic Objectives

2.1 LMC is a non-departmental public body (NDPB) established in 1967 under the Livestock Marketing Commission Order (Northern Ireland) Order 1967, as amended (hereinafter referred to as "the 1967 Act"). The Livestock Marketing Commission for Northern Ireland was renamed the Livestock and Meat Commission for Northern Ireland under Article 8 of the Agriculture (Miscellaneous Provisions) (Northern Ireland) Order 1994. The constitution of the LMC is set out in Section 1 of the Act.

The main duty of LMC, as stated in the 1967 Act, is to examine and recommend improvements in the marketing of livestock and livestock products.

Specific functions, as set out in Part I of the Schedule to the 1967 Act, are:

- Examining the structure of the livestock industry and the livestock products industry.
- Encouraging the making of better arrangements for the movement and marketing of livestock and livestock products.
- Advising DAERA on the classification and grading of carcases of livestock.
- Advising DAERA on the characteristics that livestock should possess in order to be readily marketable.
- Disseminating information in the livestock industry and livestock products industry about prices for livestock (whether in Northern Ireland or elsewhere) and livestock products and about the trends of those prices and the requirements of markets for livestock and livestock products.
- Conducting market research, or causing such research to be conducted, into the requirements of markets (whether in Northern Ireland or elsewhere) for livestock and livestock products.
- Improving and expanding trade in livestock produced in Northern Ireland and in livestock products so produced. In performing their functions under

these paragraphs the LMC may act by themselves or may employ any other person to perform those functions in whole or in part.

- Giving advice and information to DAERA on the efficient lay-out and operation of the livestock auction markets and slaughter-houses.
- Carrying out such functions in relation to the livestock and livestock products industries as DAERA may specify in a direction to the Commission.

2.2 LMC's statutory functions, duties and powers are as follows:

Duties

2.2.1 The LMC has the general duty of examining and recommending improvements in the marketing of livestock and livestock products and the particular functions set in Part I of the Schedule of the 1967 Act.

Powers

2.2.2 The collection of levies from bovine animal and sheep producers and the owner or occupier of premises where bovine animals and sheep are slaughtered.

2.2.3 The owner or occupier of the premises on which the animals are slaughtered shall make a return to the Commission at the end of each calendar month identifying the number of animals slaughtered on those premises and the total amount of levy payable by him.

2.2.4 Persons employed in connection with the supervision of, and admission of livestock to an assembly centre approved by DAERA under regulation 12 of the Animals and Animal Products (Import and Export) Regulations (Northern Ireland) 2000, may:

- Stop and inspect livestock and vehicles carrying livestock;
- Require the name and address of any person who has any livestock in his custody, charge or possession and require that name and address be authenticated; and

- Require any person who has any livestock in his custody, charge or possession to state the name and address of the owner, if that person is not the owner of the livestock.

2.3 The Minister for DAERA is answerable to the Assembly for the overall performance and delivery of both DAERA and LMC.

2.4 The Executive's outcome-based approach to delivery recognises the importance of arm's length bodies and departments working collaboratively and together in a joined-up approach to improve overall outcomes and results.

2.5 To that end there is strategic alignment between the aims, objectives and expected outcomes and results of LMC and DAERA.

2.6 LMC also acts in the interest of its levy payers, as defined in the Livestock Marketing Commission Order (Northern Ireland) Order 1967.

2.7 The strategic aims of LMC are outlined in its corporate Plan.

LMC Governance Arrangements

3. Organisational Status

LMC is a legal entity in its own right, employing its own staff and operating at arm's-length from the Department. As a legal entity it must comply with all associated legislation including legislation relating to its employer status.

4. Governance Framework

4.1 LMC has an established Corporate Governance Framework which reflects all relevant good practice guidance. The framework includes the governance structures established within LMC and the internal control and risk management arrangements in place. This includes its Board and Committee Structure. The Department should be satisfied with the framework.

4.2 An account of this is included in LMC's annual Governance Statement together with the LMC Board's assessment of its compliance with the extant Corporate Governance Code of Good Practice (NI). Any departure from the Corporate Governance Code must be explained in the Governance Statement. The extant Corporate Governance Code of Good Practice (NI) is available on the DoF website.

4.3 LMC is required to follow the principles, rules, guidance and advice in Managing Public Money Northern Ireland (MPMNI). A list of other applicable guidance and instructions which LMC is required to follow is set out in Annex 6. Good governance should also include positive stakeholder engagement, the building of positive relationships and a listening and learning culture.

5. LMC Board

5.1 LMC is led by a Board made up fully of non-executive members who are appointed by the DAERA Minister.

The Livestock Marketing Commission Act (Northern Ireland) 1967 sets out the following requirements in relation to the LMC Board

'1. (3) The Commission shall consist of not less than five and not more than seven members, appointed by the Minister of Agriculture (in this Act referred to as "the Minister"), and in appointing any person as such the minister shall have regard to the interests of producers of livestock and to other persons trading in livestock and livestock products.

(4) The Minister shall appoint a member as chairman of the Commission.

Schedule Part II

1. (1) Subject to the provisions of this paragraph, a member of the Commission shall hold office for a term of three years.

4. (5) The quorum for a meeting of the Commission shall be four.'

The appointment process for non-executive Board members complies with the **Code of Practice for Ministerial Public Appointments in Northern Ireland.**

5.2 As Public Appointees, Board members are office holders rather than employees and they are not subject to employee terms and conditions. Board appraisal arrangements are set out in paras 16.1 and 16.2 and matters for consideration in dealing with concerns / complaints in respect of Board members are provided in Annex 5.

5.3 The Board's Code of Practice provides further detail on roles and responsibilities and should align closely with this Partnership Agreement.

5.4 The purpose of the LMC Board is to provide effective leadership and strategic direction to the organisation, to ensure that stakeholder needs are met and that the policies and priorities set by the DAERA Minister are considered and implemented (where relevant to LMC). It is responsible for ensuring that the organisation has effective and proportionate governance arrangements in place and an internal control framework which allow risks to be effectively identified and managed. The Board will set the culture and values of the organisation and set the tone for the organisation's engagement with stakeholders and customers.

5.5 The Board is responsible for holding the Chief Executive to account for the management of the organisation and the delivery of agreed plans and outcomes. The Board should also, however, support the Chief Executive as appropriate in the exercise of their duties.

5.6 Board members act solely in the interests of LMC and must not use the Board as a platform to champion their own interests or pursue personal agendas. They occupy a position of trust and their standards of action and behaviour must be exemplary and in line with the seven principles of public life (Nolan principles). LMC has a Board Code of Conduct and there are mechanisms in place to deal with any Board disputes / conflicts to ensure they do not become wider issues that impact on the effectiveness of the Board. A Board Register of Interests is maintained, kept up to date and is publicly available to help provide transparency and promote public confidence in LMC.

5.7 Communication and relationships within the Board are underpinned by a spirit of trust and professional respect. The Board recognises that using consensus to avoid conflict or encouraging members to consistently express similar views or consider only a few alternative views does not encourage constructive debate and does not give rise to an effective Board dynamic.

5.8 It is for the Board to decide what information it needs, and in what format, for its meetings / effective operation. If the Board is not confident that it is being fully informed about the organisation this will be addressed by the Chair of the Board as the Board cannot be effective with out-of-date or only partial knowledge.

5.9 In order to fulfil their duties, Board members must undertake initial training, and regular ongoing training and development. Review of Board skills and development will be a key part of the annual review of Board effectiveness.

5.10 A representative from Sponsor Branch may be invited to attend or may request to attend meetings of the LMC Board.

6. Audit and Risk Assurance Committee

6.1 A further important aspect of LMC's governance framework is its Audit and Risk Assurance Committee, established in line with the extant Audit and Risk Assurance Committee Handbook (NI).

6.2 The Audit and Risk Assurance Committee's purpose / role is to support the Accounting Officer and Board on governance issues. In line with the handbook the Audit and Risk Assurance Committees focuses on:

- assurance arrangements over governance; financial reporting; annual reports and accounts, including the Governance Statement; and
- ensuring there is an adequate and effective risk management and assurance framework in place.

6.3 LMC and DAERA have agreed arrangements in respect of Audit and Risk Assurance Committees which includes:

- attendance by departmental representatives in an observer capacity at LMC's Audit and Risk Assurance Committee meetings;
- Access to LMC Audit and Risk Assurance Committee papers and minutes, with minutes forwarded to Sponsor Branch in a timely manner;
- Any input required from LMC's Audit and Risk Assurance Committee to the departmental Audit and Risk Assurance Committee.

6.4 Full compliance with the Audit and Risk Assurance Committee Handbook (NI) is an essential requirement. In the event of significant non-compliance with the

handbook's five good practice principles (or other non-compliance) discussion will be required with the Department and a full explanation provided in the annual Governance Statement.

6.5 To fulfil its role, the Audit and Risk Assurance Committee will meet at least three times a year. Audit and Risk Assurance Committee meetings will normally be attended by the Accounting Officer, the Accountant, a representative of Internal Audit, a representative of External Audit, and a representative from Sponsor Branch.

6.6 The extant Audit and Risk Assurance Committee Handbook (NI) is available on the DoF website.

7. LMC Chair

7.1 The Chair of LMC works closely with the CEO and is directly involved in all major decisions made within LMC.

7.2 The Chair is responsible for setting the agenda and managing the Board to enable collaborative and robust discussion of issues. The Chair's role is to develop and motivate the Board and ensure effective relationships in order that the Board can work collaboratively to reach a consensus on decisions. To achieve this, he or she should ensure:

- The Board has an appropriate balance of skills appropriate to its business; by providing input into member competitions through a Skills Audit of the current Board;
- Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- Board members receive and maintain appropriate training;
- The Minister is advised of LMC's needs when board vacancies arise. The Chair will contribute to the skills audit conducted to inform the skills and experience requirements for new members prior to the launching of a new appointments competition;

- There is a Board Operating Framework in place setting out the roles and responsibilities of the Board in line with relevant guidance; and
- There is a code of practice for Board members in place, consistent with relevant guidance.

7.3 The role also requires the establishment of an effective working relationship with the Chief Executive that is simultaneously collaborative and challenging. It is important that the Chair and Chief Executive act in accordance with their distinct roles and responsibilities as laid out in Managing Public Money NI and their appointment letters.

7.4 The Chair has a presence in the organisation and cultivates external relationships which provide useful links for the organisation while being mindful of overstepping boundaries and becoming too involved in day-to-day operations or executive activities.

8. LMC Chief Executive

8.1 The role of the LMC Chief Executive is to run LMC's business. The Chief Executive is responsible for all executive management matters affecting the organisation and for leadership of the executive management team.

8.2 The Chief Executive is designated as LMC Accounting Officer by the departmental Accounting Officer (see section 13). As Accounting Officer, they are responsible for safeguarding the public funds in their charge and ensuring they are applied only to the purposes for which they were voted and more generally for efficient and economical administration.

8.3 The Chief Executive is accountable to the Board for LMC's performance and delivery of outcomes and targets and is responsible for implementing the decisions of the Board and its Committees. They maintain a dialogue with the Chair on the important strategic issues facing the organisation and for proposing Board agendas to the Chair to reflect these. They ensure effective

communication with stakeholders and communication on this to the Board. They also ensure that the Chair is alerted to forthcoming complex, contentious or sensitive issues, including risks affecting the organisation.

8.4 The Chief Executive acts as a role model to other executives by exhibiting open support for the Chair and Board members and the contribution they make. The Chair and Chief Executive have agreed how they will work together in practice, understanding and respecting each other's role, including the Chief Executive's responsibility as Accounting Officer.

8.5 Further detail on the role and responsibilities of the Chief Executive are as laid out in Managing Public Money NI and their Accounting Officer appointment letter.

The Chief Executive's role as Principal Officer for Ombudsman Cases

8.6 The Chief Executive is the Principal Officer for handling cases involving the NI Public Sector Ombudsman. They shall advise the departmental Accounting Officer of any complaints about LMC accepted by the Ombudsman for investigation, and about the proposed response to any subsequent recommendations from the Ombudsman.

Role of the Department

9. Partnership Working with LMC

9.1 DAERA and LMC are part of a total delivery system, within the same Ministerial portfolio. The partnership between DAERA and LMC is open, honest, constructive and based on trust. There is mutual understanding of each other's objectives and clear expectations on the terms of engagement.

9.2 In exercising its functions LMC has absolute clarity on how its purpose and objectives align with those of DAERA. There is also a shared understanding of the risks that may impact each other, and these are reflected in respective Risk Registers.

9.3 There is a regular exchange of skills and experience between DAERA and LMC. LMC may also be involved as a partner in policy / strategy development and provides advice on policy implementation / the impact of policies in practice.

9.4 The Department of Finance (DoF) has established, on behalf of the Assembly, a delegated authority framework which sets out the circumstances where prior DoF approval is required before expenditure can be occurred or commitments entered into. The Accounting Officer of DAERA has established an internal framework of delegated authority for the Department and its ALBs which apply to LMC. Other specific approval requirements established in respect of LMC are set out at Annex 3.

9.5 Once LMC's budget has been approved by the DAERA Minister, and subject to any restrictions imposed by statute, LMC shall have authority to incur expenditure approved in the budget without further reference to the Department. Inclusion of any planned and approved expenditure in the budget shall not however remove the need to seek formal departmental approval where proposed expenditure is outside the delegated limits (as laid out in Annex 3) or is for new schemes not previously agreed. Nor does it negate the need to follow due

processes laid out in guidance contained in Managing Public Money NI and Better Business Cases NI.

10. Lead Official

10.1 DAERA has appointed a lead senior official (Grade 5 level) to manage the relationship with LMC and ensure effective partnership working. Engagement between the Department and LMC will be co-ordinated, collaborative and consistent. A clear sense of collaboration and partnership will be communicated to staff in both the Department and LMC in order to promote mutual understanding and support. Accountability meetings are held between the LMC CEO and Senior Sponsor every six months. The Senior Sponsor is supported by Sponsor Branch.

10.2 Given the range of policy areas influenced by the work of LMC, the lead senior official acts as an enabler for policy leads, relying on their input and understanding in relation to LMC's business and responsibilities for policy implementation / operational delivery and the relevant audiences / stakeholders.

10.3 The lead senior official will ensure that where there are departmental staff changes, time is taken to ensure they have a full understanding of LMC's business and challenges.

11. Annual Engagement Plan

11.1 The Department and LMC will agree an engagement plan before the start of each business year. The Annual Engagement Plan (Annex 2) will set out the timing and nature of engagement between LMC and the Department. The engagement plan will be specific to LMC and should not stray into operational oversight.

11.2 Engagement between the Department's lead official / their teams and LMC will be centred on partnership working, understanding of shared risks and working together on business developments that align with policy objectives.

11.3 In line with relevant guidance[1], LMC will work in collaboration and partnership with the Department to prepare corporate and business plans. There should be good high level strategic alignment between departmental and LMC plans. Once approved, it will be the Board of LMC that primarily holds the Chief Executive to account for delivery and performance. The Department will engage with LMC on areas of strategic interest, linking departmental policy and LMC delivery of policy intent.

11.4 The Annual Engagement Plan will also reference the agreed management and financial information to be shared over the course of a year. The aim will be to ensure clear understanding of why information is necessary and how it will be used. Where the same, or similar information is required for internal governance information, requirements will be aligned so that a single report can be used for both purposes. In addition, the engagement plan should consider opportunities for learning and development, growth and actions which could help achieve better outcomes.

12. Departmental Accounting Officer

12.1 The departmental Accounting Officer is accountable to the NI Assembly for the issue of grant in aid to LMC. He / she has designated the Chief Executive of LMC as LMC Accounting Officer and the respective responsibilities of the departmental Accounting Officer and the LMC Accounting Officer are set out in Chapter 3 of Managing Public Money Northern Ireland (MPMNI). The departmental Accounting Officer may withdraw the LMC Accounting Officer designation if he / she concludes that the LMC Accounting Officer is no longer a fit person to carry out the responsibilities of an Accounting Officer or that it is otherwise in the public interest that the designation be withdrawn. In such circumstances the LMC Board will be given a full account of the reasons for withdrawal and a chance to make representations. Withdrawal of LMC Accounting Officer status would bring into question employment as Chief

[1] Guidance issued by TEO on NICS Work Programme which includes guidance on business planning for an outcomes-based PfG/ODP

Executive and the Chair should engage with the Department should such circumstances arise.

12.2 As outlined in section 9, the LMC Chief Executive is accountable to the LMC Board for his / her stewardship of LMC. This includes advising the Board on matters of financial propriety, regularity, prudent and economical administration, efficiency and effectiveness.

12.3 The departmental Accounting Officer must be informed in the event that the judgement of the LMC Accounting Officer (on matters for which they are responsible) is over-ridden by the LMC Board. The LMC Accounting Officer must also take action if the LMC Board is contemplating a course that would infringe the requirement for financial propriety, regularity, prudent and economical administration, efficiency or effectiveness. In all other regards, the departmental Accounting Officer has no day to day involvement with LMC or its Chief Executive.

12.4 In line with DoF requirements, the LMC Accounting Officer will provide a quarterly declaration of fitness to act as Accounting Officer to the departmental Accounting Officer.

13. Attendance at Public Accounts Committee

13.1 The LMC Chief Executive / Accounting Officer may be summoned to appear before the Public Accounts Committee to give evidence on the discharge of their responsibilities as Accounting Officer (as laid out in their Accounting Officer appointment letter) on issues arising from the C&AG's studies or reports following the annual audit of accounts.

13.2 The Chair may also, on occasion, be called to give evidence to the Public Accounts Committee on such relevant issues arising within the C&AG's studies or reports, in relation to the role and actions taken by the Board, where appropriate.

13.3 In addition, the DAERA Accounting Officer may be summoned to appear before the Public Accounts Committee to give evidence on the discharge of their responsibilities as departmental Accounting Officer with overarching responsibility for LMC. In such circumstances, the departmental accounting Officer may therefore expect to be questioned on their responsibilities to ensure that:

- there is a clear strategic control framework for the LMC;
- sufficient and appropriate management and financial controls are in place to safeguard public funds;
- the nominated Accounting Officer is fit to discharge his or her responsibilities;
- there are suitable internal audit arrangements;
- accounts are prepared in accordance with the relevant legislation and any accounting direction; and
- intervention is made, where necessary, in situations where the LMC Accounting Officer's advice on transactions in relation to regularity, propriety or value for money is overruled by the body's Board or its Chair.

Assurance Framework

14. Autonomy and Proportionality

14.1 DAERA will ensure that LMC has the autonomy to deliver effectively, recognising its status as a separate legal entity which has its own Board and governance arrangements. Guidance on proportionate autonomy has been considered in determining the extent of engagement and assurance established between LMC and DAERA and is reflected in this agreement.

14.2 A proportionate approach to assurance will be taken based on LMC's overall purpose, business and budget and a mutual understanding of risk. The approach will include an agreed process through which the LMC Accounting Officer provides written assurance to the Department that the public funds and organisational assets for which they are personally responsible are safeguarded, have been managed with propriety and regularity, and its use of public funds represents value for money.

14.3 Recognising the governance arrangements in place within the organisation, the LMC Accounting Officer will arrange for their written assurance to be discussed at the LMC Audit and Risk Assurance Committee and presented to the LMC Board prior to submission to the Department where possible. If not possible, or practicable, the Chair of the LMC Board should have sight of the assurance statement, prior to being submitted to the Department.

14.4 The LMC Chair will provide written confirmation that the LMC Accounting Officer's formal assurance has been considered by the Board and is reflective of LMC's current position.

14.5 In addition to the LMC Accounting Officer's written assurance, the Department will take assurance from the following key aspects of LMC's own governance framework:

- Annual Review of Board Effectiveness;

- Completion of Board Appraisals which confirm Board member effectiveness;
- Externally audited Annual Report and Accounts, reviewed / considered by the LMC Audit and Risk Assurance Committee; and
- Information provided at, and in advance of, LMC's Audit and Risk Committee meetings.

15. Board Effectiveness

15.1 The LMC Chair will ensure that the LMC Board undertakes an annual review of Board Effectiveness[2] which encompasses committees established by the Board.

15.2 The Chair will discuss the outcome of the annual review of Board Effectiveness with the lead official to ensure a partnership approach to any improvements identified. This will inform the annual programme of Board training / development and discussions in respect of Board composition and succession.

15.3 In addition to the annual review of Board Effectiveness, LMC will undertake an externally facilitated review of Board effectiveness at least once every three years covering the performance of the Board, its Committees and individual Board members. The Chair will liaise with the Department to identify a suitably skilled facilitator for the external review (this can be a peer review and should be proportionate) and will share the findings / outcome report with the Department on completion of the review.

16. Board Appraisals

16.1 The Chair of LMC will conduct an annual appraisal in respect of each Board member which will also inform the annual programme of Board training / development. The Chair will engage with the Chief Executive / lead official as appropriate on improvements identified through the appraisal process and the annual training / development programme.

[2] NIAO Good Practice Guide on Board Effectiveness

16.2 The Chair's annual appraisal will be completed by the DAERA Senior Sponsor. The appraisal will take account of the Key Characteristics of a good chairperson (particularly for the Chair to have well developed interpersonal skills) set out in the NIAO Board Effectiveness - A Good Practice Guide available on the NIAO website. There will be close engagement between the Chair and the lead official on improvements identified through the appraisal process.

17. Internal Audit Assurance

17.1 The Head of Internal Audit (HIA) will establish risk-based plans to determine the priorities of Internal Audit activity consistent with the LMC's goals. This Strategy sets out how the internal audit service to the Livestock and Meat Commission for Northern Ireland (LMC), provided by DAERA Internal Audit Unit, will be developed and delivered in accordance with the Internal Audit Charter and how it links to organisational objectives, priorities and risks. DAERA must be satisfied that the requirements for approving appointments are in accordance with Public Sector Internal Audit Standards (PSIAS).

17.2 LMC will provide its internal audit strategy, periodic audit plans and annual audit report, including the Head of Internal Audit's opinion on risk management, control and governance to the Department. LMC will ensure that DAERA's internal audit team have complete right of access to all relevant records. This applies whether the internal audit function is provided in-house or is contracted out.

17.3 LMC will ensure regular, periodic self-assessments of the internal audit function in line with PSIAS and will share these with the Department. LMC will also liaise with the Department on the External Quality Assessment (EQA) of the internal audit function which (in line with PSIAS) is required to be conducted at least once every five years by a qualified independent assessor.

17.4 LMC will alert the Department to any less than satisfactory audit reports at the earliest opportunity on an ongoing basis. LMC will also alert the Department to a less than satisfactory annual opinion from the Head of Internal Audit at the

earliest opportunity. LMC and the Department will then engage closely on actions required to address the less than satisfactory opinion in order to move LMC to a satisfactory position as soon as possible.

17.5 The Department will take assurance from the fact that LMC has met the requirements of PSIAS and has a satisfactory annual opinion from the Head of Internal Audit as part of its overall assurance assessment.

18. Externally Audited Annual Report and Accounts

18.1 LMC is required to prepare an Annual Report and Accounts in line with the Government Financial Reporting Manual (FReM) issued by the Department of Finance (DoF) and the specific Accounts Direction issued by DAERA, and in accordance with the deadlines specified.

18.2 The Comptroller & Auditor General (C&AG) will arrange to audit the LMC's annual accounts and will issue an independent opinion on the accounts. The C&AG passes the accounts to DAERA who shall lay them before the NI Assembly together with LMC's annual report.

18.3 The C&AG will also provide a Report to Those Charged with Governance (RTTCWG) to LMC which will be shared with the Department.

18.4 LMC will alert the Department to any likely qualification of the accounts at the earliest opportunity. In the event of a qualified audit opinion, or significant issues reported in the RTTCWG, the Department will engage with LMC on actions required to address the qualification / significant issues.

18.5 The Department will take assurance from the external audit process and an unqualified position as part of its overall assurance assessment.

18.6 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which LMC has used its resources in discharging its functions.

The C&AG may also carry out thematic examinations that encompass the functions of LMC.

18.7 For the purpose of audit and any other examinations, the C&AG has statutory access to documents as provided for under Articles 3 and 4 of the Audit and Accountability (Northern Ireland) Order 2003.

18.8 Where making payment of a grant, or drawing up a contract, LMC should ensure that it includes a clause which makes the grant or contract conditional upon the recipient or contractor providing access to the C&AG in relation to documents relevant to the transaction. Where subcontractors are likely to be involved, it should also be made clear that the requirements extend to them.

Signatories

LMC and DAERA agree to work in partnership with each other in line with the NI Code of Good Practice **'Partnerships between Departments and Arm's-Length Bodies'** and the arrangements set out in this Agreement.

Signed J.M. Stewart OBE, LLB
LMC Chairman
Date 10th February 2025

Signed Colin Smith
LMC Chief Executive
Date 10th February 2025

Signed

David Simpson
DAERA Senior Sponsor
Date: 30 January 2025

Version Control

19. Document Version Control and Review

19.1 Any amendments to this document should be recorded in the table below.

VERSION	DATE	AUTHOR	SUMMARY OF REVISIONS
0.1	12 February 2024	Joanne McClements	Draft document created.
1.0	27 January 2025	Jennifer Weir	Final document

Annex 1 - Applicable Legislation

List the founding legislation and other key statutes which provide LMC with its statutory functions, duties and powers:

- Livestock Marketing Commission Act (Northern Ireland) 1967
- Livestock Marketing Commission (Amendment) Act (Northern Ireland) 1969
- The Agriculture (Miscellaneous Provisions) (Northern Ireland) Order 1994
- Livestock and Meat Commission (Maximum Levy) Regulations (Northern Ireland) 2003
- Livestock and Meat Commission (Levy) (No. 2) Regulations (Northern Ireland) 2003

Annex 2 - Annual Engagement Plan

Good engagement is one of the key principles in the Partnership Code, underpinning the other principles of: Leadership, Purpose, Assurance, and Value.

As laid out in the Code, partnerships work well when relationships between departments and ALBs are open, transparent, honest, constructive and based on trust and when there is mutual understanding of each other's objectives and clear expectations about the terms of engagement.

The template provided outlines the key areas of engagement between Departments and ALBs. The template is not intended to be prescriptive and should be completed collaboratively and agreed between the Department and the ALB. The key aims of the Engagement Plan are to document how the LMC and the department will interact and to make sure LMC has the access and support required from across the sponsor department.

Engagement Plan 2024/25		
Policy Development and Delivery		
Policy Area	**Frequency / Timing**	**Lead Departmental / LMC Officials**
Carbon Footprinting	Ad hoc	Grades 3, 5, 6, 7 and the Environmental Sustainability Policy Branch team and LMC
Deadweight price reporting	Six-monthly or as required.	Pigs, Sheep, Beef & Veterinary Medicinal Residues Policy Branch
Beef & Sheep Meat Improvement Scheme	Annually	Economic Analysis & State Aid Policy Branch.
NIFAIS Dev and Test	Ad hoc	NIFAIS Division - G5, G6, G7 and Testers, LMC CEO
NIFAIS Production	Ad hoc	NIFAIS Support Unit VSAHG – G7, SO & LMC
Ministerial Engagement		
Activity	**Frequency / Timing**	**Lead Departmental / LMC Official**

Minister meeting with LMC Chair While the Permanent Secretary may be present at part of this meeting, there should be time for the Minister to talk to the Chair on a one-to-one basis	Annually or as required	DAERA Senior Sponsor (G5), LMC Chair
Strategic Planning		
Activity	**Date**	**Lead Departmental / LMC Official**
Engagement on the draft Business Plan	Ad hoc	DAERA Senior Sponsor (G5) and Sponsor Branch G7, LMC CEO and DAERA policy leads
LMC Business Plan - Submission and approval	Annually	LMC and DAERA Minister
Strategic plan and business plans to be published on LMC website	Ad hoc when plans approved	LMC
Joint Working		
Activity	**Frequency / Timing**	**Lead Departmental / LMC Official**
Joint Board Meetings	Annually	DAERA Sponsor Branch, DAERA Corporate Support Branch / Permanent Secretary's Office, Chair and Board members
Meet with LMC Chair	Biannually	DAERA Senior Sponsor (G5), LMC Chair
Meet with LMC Chair	Biannually	G3 SPCSG, LMC Chair
Board Appointments		
Activity	**Date**	**Lead Departmental / LMC Official**

Chair and Board Member recruitment	As required	Senior Sponsor (G5), LMC Chair and DAERA Permanent Secretary
Chief Executive Recruitment		
Activity	**Date**	**Lead Departmental / LMC Official**
Chief Executive Recruitment	As required	LMC Chair
Assurances		
Action	**Date**	**Lead Departmental / LMC Official**
Outcome of the Review of Board Effectiveness	Annual review	LMC Chair
Planning for the externally facilitated review of Board Effectiveness	Externally facilitated review at least once every three years	LMC Chair
Board Appraisals and planned training/development for Board members	Following the end of the Business year, aligned to NICS timescales	Undertaken annually by Chair supported by Sponsor Branch and reported to DAERA
Chair Appraisal	Following the end of the Business year, after Board Appraisals have been completed by the Chair and the annual Review of Board Effectiveness has concluded	Senior Departmental official (usually the Senior Sponsor (G5)
Departmental Attendance at ARAC	ARAC will meet not less than 3 times per annum, to which departmental officials will be invited.	Sponsor Branch G7 (or another Sponsor Branch representative) attends all meetings of LMC's ARAC

Assurance Statement	Quarterly	LMC CEO
DAERA ARAC Input	Quarterly if required	LMC/Sponsor Branch
Draft Governance Statement	Annually	Facilitated by LMC CEO, draft reviewed by ARAC and Board as part of the Annual Report and Accounts LMC to provide draft of these to Sponsor Branch for review by DAERA Financial Policy Branch
Annual Report and Accounts	Annually	As above
Report to those Charged with Governance (RTTCWG)	Annually	Copy of Draft RTTCWG shared with DAERA routinely as part of ARAC papers
Engagement on other planned NIAO reports	As required	LMC keep DAERA fully informed of any NIAO reports
Head of Internal Audit Annual report/Opinion	Annually	Provided to DAERA routinely as part of ARAC papers
Internal Audit Strategy and Plans	Annually	Protocol in place between LMC and Internal Audit where Internal Audit meet with LMC to discuss the internal audit plan Draft and Final plans are provided to DAERA routinely as part of ARAC papers
Budget Management		
Item and Purpose	**Date**	**Lead Departmental / LMC Official**
Engagement on budget requirements and Forecast Expenditure for the Financial Year	Annually	Engagement with Department and draft budget submitted for approval as part of annual business planning process
Departmental approval of the annual budget	Annually	Approved by DAERA and Minister as part of Annual Business Plan

Financial Management Returns	Monthly to Quarterly as required.	Provided by LMC to DAERA Financial Reporting Branch
Monitoring Round Returns	Quarterly	Provided by LMC to Sponsor Branch
Provisional Outturn	Annually	Provided by LMC to DAERA Financial Reporting Branch
Final Outturn	Annually	Provided by LMC to DAERA Financial Reporting Branch
Completion of Provisional Outturn and Consolidated Group Accounts	Annual meeting in advance of year-end and ad-hoc meetings throughout the accounts/audit process	DAERA Finance Director, Deputy Finance Director and Head of Financial Reporting Branch, LMC CEO, LMC Finance
Other		
Item and Purpose	**Submission Date**	**Lead Departmental / LMC Official**
Accounting Officer - Fitness to Act as Accounting Officer	Quarterly update included as part of the Assurance Statement	Requirement to undertake Accounting Officer training on taking up post
Fraud Reporting	Immediate reporting of all frauds (proven or suspected including attempted fraud	Department will report frauds immediately to DoF and C&AG. LMC CEO to immediately notify DAERA and C&AG cases of fraud or attempted / suspected fraud
Fraud Reporting	Annual fraud return commissioned by DoF on fraud and theft suffered by LMC	LMC CEO provides quarterly returns to DAERA and reports to its own ARAC on fraud
Fraud Strategy	As required	Sponsor Branch to notify LMC of any revisions to the Department's Counter Fraud Strategy

		LMC to notify Sponsor Branch of any subsequent change to its Anti-Fraud Policy or response plan
Media management protocols - independence of LMC to engage with media/announcements of corporate and policy communications significant to LMC - arrangements to share press releases where relevant - ensure no surprises	As required	LMC CEO liaises with DAERA on any relevant news announcements
Business Cases	As required	Business Cases to be submitted for approval by DAERA and DoF as per the delegated authority levels. DAERA undertake test drilling to provide feedback to LMC on general quality issues relevant to LMC's status and income streams.
Board minutes	Final minutes to be sent to Sponsor Branch and published in a timely manner	Final minutes of LMC Board meetings to be forwarded to Sponsor Branch and final minutes published on LMC's website
ARAC minutes	Minutes to be sent to Sponsor Branch in a timely manner	Draft and final minutes of LMC ARAC meetings to be forwarded to Sponsor Branch
Whistleblowing cases / Speaking Up / Raising Concerns	As required	LMC advise DAERA on any whistleblowing cases and outcomes
Cyber Security/Data Protection	Biennially	Data Protection & Information Management Branch G7
State Aid Compliance	As Required	Economic Analysis and State Aid Policy Branch (PESD)

Review of the Partnership Arrangement		
Item and Purpose	**Date**	**Lead Departmental / LMC Official**
Light touch review of the Partnership Agreement	Annually	Senior Sponsor (G5), Head of Sponsor Branch (G7) / LMC CEO
Formal review of the Partnership Agreement	Triennially	Senior Sponsor (G5), Head of Sponsor Branch (G7) / LMC CEO

Annex 3 – LMC Delegations, Procurement and Economic Appraisal

1. LMC DELEGATED AUTHORITY LIMITS

LMC's delegated expenditure limits are outlined below:

Category		LMC Delegations (all costs exclude VAT)
Purchase of Goods & Non-Construction Services		£500,000
Capital Projects		£500,000
IT Projects		£500,000
External Consultants		£10,000
Losses and Special Payments LMC, with the prior approval of the LMC Board, has the authority to write off losses and make special payments up to these limits.	**Cash losses**	£500 per case
	Stores or Equipment losses	£1,000 per case
	Constructive losses and fruitless payments	£1,000 per case
	Compensation payments made under legal obligation, e.g. by Court Order	£20,000 per case plus reasonable legal expenses
	Compensation payments for damage to personal property of staff	£1,000 per case
	Compensation payments where written legal advice is that the LMC should not fight a court action because it is unlikely that it would win	£20,000 per case

Losses and Special Payments Contd.	**Claims abandoned or waiver of claim**	£1,000 per case
	Extra contractual payments	£1,000 per case
	Ex gratia (Pensions payments are not covered by this threshold)	£1,000 per case
	Extra statutory and extra regulatory payments	£nil
Insurances	LMC can obtain the following commercial insurances without the need for prior DoF approval. ▪ Building and contents, including cover for: – Business Interruption – Employers' Liability – Public/Products Liability – Legal Defence – Money – Personal Injury (robbery) – Computers – Group Personal Accident/Travel for seven Commission members and staff – Directors and Officers Liability – Professional Indemnity	

2. DELEGATED AUTHORITY LIMITS – GUIDANCE

- DAERA approval is required for any expenditure that exceeds the LMC-specific delegated limits outlined above.
- Expenditure that exceeds DAERA's departmental delegated limits will also require DoF approval.
- There are a number of expenditure categories outlined in the Departmental Delegations **(DAO (DoF) 08/21)** where there is no departmental authority to spend without prior approval by the Department of Finance (DoF). These also

apply to LMC, so regardless of the LMC-specific limits in the table above, expenditure in these particular categories will always require prior DoF approval. Examples include any expenditure which is **novel, contentious or repercussive**, and any **leases for premises**. The full list of categories that will always require DoF approval can be accessed via the link in Annex 9.

For categories where LMC doesn't have an LMC-specific limit outlined in the above table, then any limits in the Departmental Delegations will also apply to LMC. For example the £250 limit outlined in Delegation 12 relating to Gifts.

- In addition, the department's prior approval will be required for any of the following expenditure:
  - incurring any expenditure that is not provided for in LMC's annual budget as approved by the Department
  - making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Department;
  - carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money Northern Ireland.
- All procurements need to comply with the Procurement Policy and CPD guidance.
- All procurements need to have the required level of economic appraisal.

3. ENGAGEMENT OF EXTERNAL CONSULTANTS

The engagement of external consultants is subject to a separate delegation introduced by the Executive in 2010. Any expenditure in excess of £10,000 requires ministerial approval.

Care should be taken to avoid actual, potential or perceived conflicts of interest when employing consultants.

4. LOSSES AND SPECIAL PAYMENTS

Where total losses exceed £10,000 in any financial year, an explanatory note should be included in the LMC's accounts.

Details of all losses and special payments should be recorded in a Losses and Special Payments Register, which will be available to auditors. The Register should be kept up-to-date and should show evidence of the approval by the Chief Executive and DAERA, where appropriate.

5. PROCUREMENT THRESHOLDS AND PROCEDURES

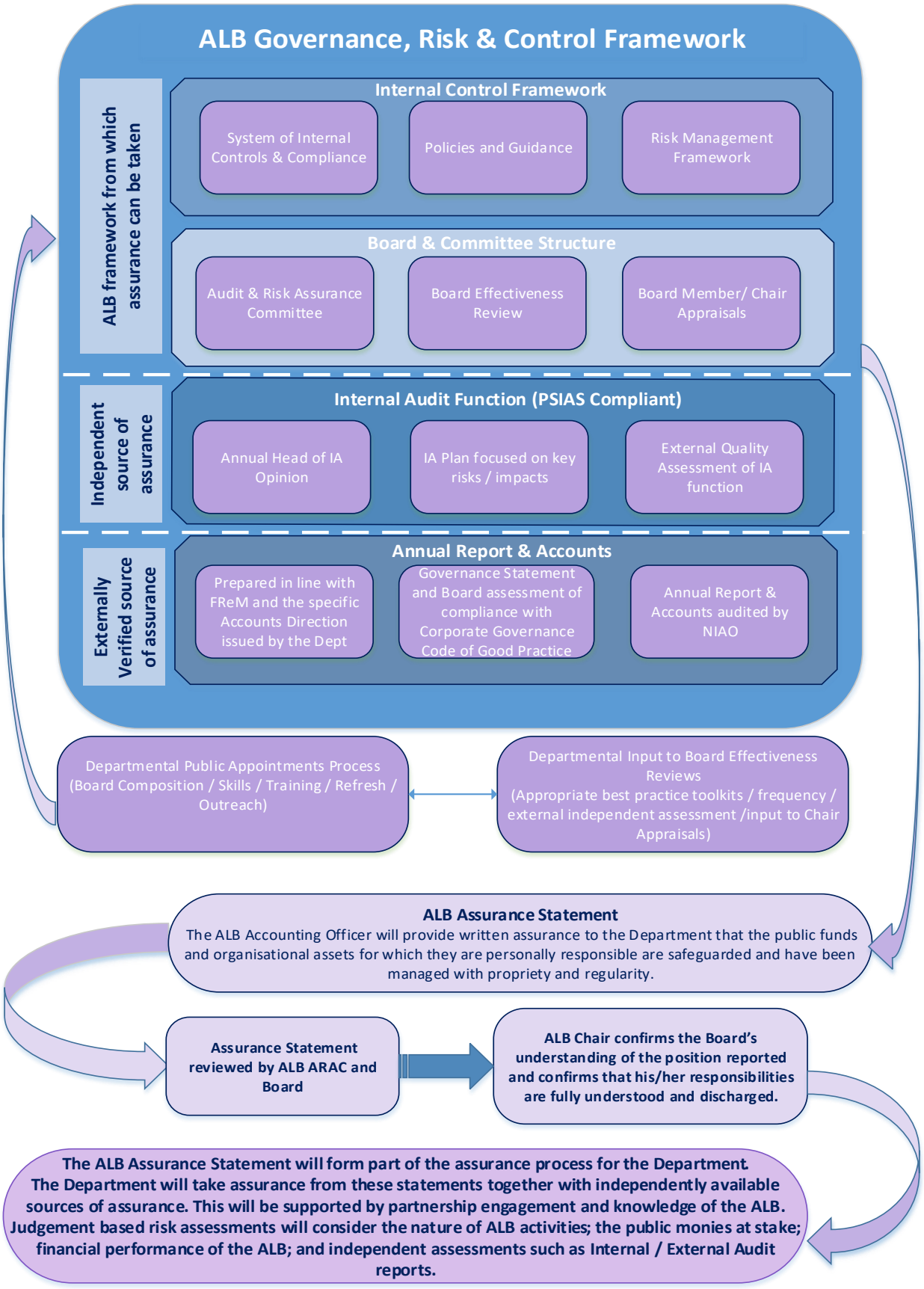
Threshold The UK Threshold is inclusive of VAT. All other thresholds exclude VAT.	**Procedure**
Up to £5,000	Must demonstrate value for money has been secured.
£5,001 to £30,000	Seek a minimum of two tenders Or a tender process undertaken by a CoPE.
£30,001 to £139,688 **(UK Threshold)**	Advertise on eTendersNI. Tender to be conducted by CPD.
Above UK Threshold	Advertise on eTendersNI. Public Contracts Regulations / Utilities Contracts Regulations apply – advertise on Find a Tender service.

6. ECONOMIC APPRAISAL

The Better Business Case NI guidance provides guidance on the appraisal, evaluation, approval and management of policies, programmes and projects. The principles of appraisal should be applied, with proportionate effort, to every proposal for spending public money, or changes in the use of public sector resources.

Delegations do not remove the need for appraisal or evaluation. All expenditure, including that below delegation limits, must be appraised and evaluated with effort that is proportionate to the objectives and resources involved.

Annex 4 - Illustrative System of Assurance



Annex 5 – Board Member Concerns/Complaints

In line with the NI Code of Good Practice and the arrangements in this Partnership Agreement the approach to concerns/complaints raised in respect of LMC Board members should be transparent and collaborative. The principle of early and open engagement is important, with the Department made aware of any concerns/complaints as soon as practicable.

While Board Members are Public Appointees/office holders rather than LMC employees, an LMC employee may utilise LMC's grievance procedure/other HR procedure to raise a complaint against a Board member. The LMC employee raising the grievance should expect this to be handled in line with LMC's HR procedures.

Concerns/complaints might also be raised through:

- Raising Concerns/Whistleblowing arrangements;
- Complaints processes;
- Directly with LMC or the Department.

Where a concern/complaint is received within LMC in respect of an individual Board Member this should be provided to the LMC Chair who should notify the Department at the outset in order that lead responsibility for handling the complaint/concern is clear in advance.

Where a concern/complaint relates to the LMC Chair, LMC should notify the Department at the outset for the Department to determine the approach to handling the complaint/concern.

Differences of view in relation to matters which fall within the Board's responsibilities are a matter for the Board to resolve through consensus-based decision making in the best interests of the LMC.

Exceptionally a concern/complaint may be raised by a Board Member about a fellow Board Member or a senior member of LMC staff. The LMC Chair should notify the

Department at the outset to ensure that arrangements for handling the concern/complaint are clear. The Department may determine that it should make arrangements to deal with the concern/complaint. This will be agreed at the outset.

Arrangements for concerns/complaints in respect of Board members should be reflected in all relevant procedures, including Standing Orders and Board Operating Frameworks.

Annex 6 - Applicable Guidance

The following guidance is applicable to LMC

Guidance issued by the Department of Finance

- Managing Public Money NI
- Public Bodies - A Guide for NI Departments
- Corporate Governance in central government departments - code of good practice
- DoF Risk Management Framework
- HMT Orange Book
- The Audit and Risk Assurance Committee Handbook
- Public Sector Internal Audit Standards
- Accounting Officer Handbook - HMT Regularity, Propriety and Value for Money
- Better Business Cases NI
- Dear Accounting Officer Letters
- Dear Finance Director Letters
- Dear Consolidation Officer and Dear Consolidation Manager Letters
- The Consolidation Officer Letter of Appointment
- Government Financial Reporting Manual (FReM)
- Guidance for preparation and publication of annual report and accounts
- Procurement Guidance

Other Guidance and Best Practice

- Specific guidance issued by the Department
- EU Delegations
- Recommendations made by the NI Audit Office / NI Assembly Public Accounts Committee
- NIAO Good Practice Guides
- Guidance issued by the Executive's Asset Management Unit
- NI Public Services Ombudsman guidance

Annex 7 - Role of the Minister

Role of the Minister

The Chair of LMC is responsible to the Minister. Communication between the Board and the Minister should normally be through the Chair.

The departmental Accounting Officer is responsible for advising the relevant Minister on a number of issues including the LMC objectives and targets, budgets and performance.

In addition to being answerable to the Assembly as laid out in paragraph 3.4, the Minister is also responsible for:

- Setting the strategic direction and overall policies and priorities for the LMC as reflected in the Programme for Government;
- Approving the LMC's Business Plan;
- Setting the LMC's budget; and
- Appointment of non-executive board members.

Annex 8 - Partnerships between Departments and Arm's Length Bodies: NI Code of Good Practice

NI Code of Good Practice

Available by clicking here

Annex 9 – Departmental Delegations

DAO (DoF) 08/21 Departmental Delegations /Requirement for DoF Approval

1. General Departmental Delegations - available by clicking here
2. DAERA Specific Departmental Delegations (incl. LMC Legislation related delegations) – available by clicking here